been taken up from time to time with the concerned Department/ State Governments NABARD.

(d) NABARD has already reduced the rate of interest on refinance by 0.5% on short term loans. It is however pointed out that NABARD provides refinance to the cooperative banks to the extent of about 23% of total lending only. The remaining 77% of the advances are arranged by the cooperative banks themselves through deposit etc. at a high cost. NABARD is also implementing the scheme of Kisan Credit Card to farmers and has been given a target to cover all the eligible farmers in the country by March 2004. This will help farmers to access the institutional credit easily and adequately.

Recovery of fertilizer subsidy

†4693. SHRI RAM JETHMALANI:
SHRI RAJIV RANJAN SINGH 'LALAN':

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that private sector fertilizer producing factories had received additional subsidy from Government, during the last three years;

(b) if so, which are those factories and the amount of additional subsidies received by them during that period, year-wise; and

(c) whether this additional subsidy has been recovered by Government; if not, the outstanding amount yet to be recovered, upto March, 2002?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) Urea, being the only fertilizer at present under statutory

† Original notice of the Question was received in Hindi.

price, distribution and movement control, is covered under Retention Price Scheme (RPS); and urea manufacturers are paid subsidy as the difference between the retention price and the statutorily notified sale price. Under RPS, the retention prices (cost of production plus 12% post tax return) are fixed unit-wise having regard to a combination of norms and actuals of various cost elements. Operational cost of production of urea units differs not only from unit to unit but also from month to month, depending upon, *inter-alia*, the health and vintage of the plant, the feedstock used, the levels of capacity utilization, specific consumption and inputs cost. Such computation is not related to the unit being in private or in cooperative/ public sector.

The Government is seized of the matter relating to excess drawal of subsidy by some urea manufacturing companies, whether in public, private or cooperative sector on account of understatement of capacity of their units. The Government had appointed a Committee of Experts under the chairmanship of Dr. Y.K. Alagh to address the total issue of the assessment of capacity including recoveries that may have to be effected. The Committee has submitted its report on 29.3.2001. Pending the Government's decision on the report of Alagh Committee, an interim reassessment of capacity of 16 high capacity urea units has already been carried out *w.e.f.* 1.4.2000 resulting in a saving of Rs. 450 crores per annum approximately.

Besides, the excess drawal of subsidy on account of non revision of consumption norms has also been reported. Keeping in view the recommendation of the Joint Parliamentary Committee in 1992, the consumption norms were not revised in the VI Pricing Period which was extended till 30.6.1997. However, pending Government's decision on the policy parameters for the VII and VIII pricing periods including consumption norms, the Government has carried out the interim revision of consumption norms *w.e.f.* 1.4.2000 based on the actual levels achieved in 1999-2000, or the existing level, whichever is lower. This has led to an estimated recovery of Rs. 769 crore per annum.